

NEW HAMPSHIRE STATE CONTINUATION

- ✓ [WHAT IS N.H. STATE CONTINUATION?](#)
- ✓ [WHO IS ELIGIBLE?](#)
- ✓ [WHAT IS THE LENGTH OF TIME FOR COVERAGE?](#)
 - ✓ [IF LAID OFF, TERMINATED OR QUIT?](#)
 - ✓ [IF DECLARED TOTALLY DISABLED BY SOCIAL SECURITY?](#)
 - ✓ [IF DEPENDENT NO LONGER QUALIFIES AS DEPENDENT?](#)
 - ✓ [HB790 – DEPENDENT CARE EXPANSION BILL](#)
 - ✓ [IF DIVORCED OR LEGALLY SEPARATED](#)
 - ✓ [SB197 – DIVORCED SPOUSE BILL](#)
 - ✓ [IF DEATH OF COVERED EMPLOYEE](#)
 - ✓ [IF EMPLOYER DECLARES BANKRUPTCY](#)
 - ✓ [CIVIL UNION LAW IMPACT ON STATE CONTINUATION](#)
- ✓ [HOW DO I SIGN UP FOR STATE CONTINUATION?](#)
- ✓ [WHAT DOES STATE CONTINUATION COST?](#)
- ✓ [WHAT HAPPENS WITH NON-PAYMENT?](#)
 - ✓ [WHEN INSURED FAILS TO PAY?](#)
 - ✓ [WHEN INSURED PAYS BUT EMPLOYER FAILS TO PAY?](#)
- ✓ [WHAT IF MY EMPLOYER NO LONGER OFFERS HEALTH INSURANCE COVERAGE OR IF MY EMPLOYER GOES OUT OF BUSINESS?](#)
- ✓ [WHAT HAPPENS WHEN MY CONTINUATION OF COVERAGE ENDS?](#)

IMPORTANT NOTICE:

On February 17, 2009, President Barack Obama signed the American Recovery and Reinvestment Act, commonly called the Stimulus Plan. The new law provides for certain COBRA and New Hampshire continuation eligible individuals who lose their jobs a 65% subsidy towards the cost of continuation. Final guidelines are expected by April 17, 2009 and will be posted upon their release. If you have questions contact the U.S. Department of Labor: Toll-free Hotline: 1.866.444.EBSA Website at <http://www.dol.gov/ebsa/COBRA.html>.

[RETURN TO INDEX](#)

WHAT IS N.H. STATE CONTINUATION?

State Continuation is **not** insurance, it is a right of N.H. residents, under N.H. law, to temporarily continue their **FULLY INSURED** group health and dental benefit plan (see below for explanation of fully insured) for themselves and their dependents after the date of insurance would have otherwise ended due to a change in eligibility. For laws governing general requirements to State Continuation refer to RSA 415:18, XVI).

(***Fully insured plan** is when your employer has a contract with an insurance company for an insurance policy vs. an employee benefit plan which is when the employer offers a health benefit plan which is funded and administered by the company itself. The difference is N.H. Insurance Department has jurisdiction **only over fully-insured plans** and employee benefit plans fall under federal jurisdiction (U.S. D.O.L.). Your benefits manager or human resource administrator should be able to clarify which type of plan you have.

[RETURN TO INDEX](#)

WHO IS ELIGIBLE?

Any insured individual **who is no longer eligible due to a “qualifying event” to remain on an employer’s fully insured group health plan due the following occurrences** is eligible for state continuation under N.H. Law. (As long as employer is continuing to offer the fully insured group health plan)

- ✓ [Termination \(Except For Gross Misconduct\)](#)
- ✓ [Quit](#)
- ✓ [Laid Off](#)
- ✓ [Divorce](#)
- ✓ [Legal Separation](#)
- ✓ [Change In Dependent Status](#)
- ✓ [Declared Totally Disabled](#)
- ✓ [Death Of Covered Employee](#)
- ✓ [Employer Declares Bankruptcy](#)

See chart on page 3-4 for length of coverage which is based on the “qualifying” event.

HOW DO I SIGN UP FOR CONTINUATION?

In the event the covered employees becomes **divorced, legally separated, declared disabled (under Social Security Act)** or has substantial losses due to employer declaring bankruptcy, the employee must notify the employer who will then, notify the insurance company/carrier.

In the event of the **termination, quits, laid off of job or death of the covered employee**, the employer should notify the carrier/insurance company.

The insurance carrier is responsible under NH Law to notify eligible individuals of their continuation rights. Once the carrier is notified the carrier has **30 days from notification of eligibility for State Continuation to provide the individual with an election notice** which offers the option to sign up for State Continuation. The employee then has 45 days to decide.

[RETURN TO INDEX](#)

IMPORTANT NOTES REGARDING STATE CONTINUATION

- ✓ **Coverage is retroactive:** Example: Employee has 45 days from the notification letter from the carrier to make a decision and communicate to the group. Coverage will be retroactive to the last day of coverage.
- ✓ Other individuals on the insurance plan can elect State Continuation even if covered employee does not.
- ✓ No pre-existing conditions apply to the extent an individual met any pre-existing requirements under their terminating group plan.

[RETURN TO INDEX](#)

WHAT DOES STATE CONTINUATION COST?

The benefits of the plan shall be made available to all eligible for the plan at the **full group rate** charged by the insurance carrier plus an allowable **administrative fee** not to exceed 2 percent of the monthly premium. Full payment shall be made to the employer who then will forward the premium with the group's premium.

IMPORTANT NOTICE:

On February 17, 2009, President Barack Obama signed the American Recovery and Reinvestment Act, commonly called the Stimulus Plan. The new law provides for certain COBRA and New Hampshire continuation eligible individuals who lose their jobs a 65% subsidy towards the cost of continuation. Final guidelines are expected by April 17, 2009 and will be posted upon their release. If you have questions contact the U.S. Department of Labor: Toll-free Hotline: 1.866.444.EBSA Website at <http://www.dol.gov/ebsa/COBRA.html>.

[RETURN TO INDEX](#)

WHAT HAPPENS WITH NON-PAYMENT?

- ✓ **When Insured Fails to Pay**
The insurance can be terminated for failure of the insured to make timely payments. There is a 30 day grace period allowed for payments.
- ✓ **When Insured Pays Employer But Employer Fails to Pay Carrier / Insurance Co.**
If employer fails to make the payments to the insurer and this results in coverage termination, the employer will be liable for the benefits to the same extent as the insurer would have been had coverage not been terminated.

[RETURN TO INDEX](#)

WHAT IF MY EMPLOYER NO LONGER OFFERS HEALTH INSURANCE COVERAGE OR IF MY EMPLOYER GOES OUT OF BUSINESS?

When a fully-insured group plan terminates its benefits, the plan shall be available at the same group rate to all participants **who are N.H. residents** and covered by the fully insured group plan for an extension period of **39 weeks**, or until coverage is available under another group plan, whichever occurs first. The full cost of the insurance as charged to the employer plus an allowable 2% administrative charge is due by the individual and premium is paid directly to health insurance carrier.

WHAT HAPPENS WHEN MY CONTINUATION OF COVERAGE ENDS?

Upon termination of the continuation period the insured(s) should shop for individual insurance. At the N.H. Insurance Department's website at www.nh.gov/insurance under Consumer's Health page (or under Quick Links on the first page) there is a listing of companies offering individual health insurance.

Please note that if you are denied individual health coverage for any medical reason this **may** qualify you for the New Hampshire Health Plan. For further details please go their web site at www.nhhealthplan.org or call at 877-888-6447.

[RETURN TO INDEX](#)

LENGTH OF COVERAGE CHART		
QUALIFYING THE EVENT	LENGTH OF COVERAGE	NOTES
REGULAR		
Quit Job, Laid Off , Terminated (Except for Gross Misconduct)	18 MONTHS	Set length of time under "regular" circumstances
DISABLED		
DISABLED –Declared Disabled under Title II or XVI of the Social Security Act	29 MONTHS	If an individual is determined by the Social Security Act Title II or XVI to be disabled within the first 60 days of the date individual becomes ineligible for continued participation in the plan they can stay on State Continuation for 29 months .
DEPENDENT ISSUE		
DEPENDENT ceases to meet definition of DEPENDENT ***	36 MONTHS	A dependent that no longer meets the criteria for dependent status and ceases to be eligible to continue on covered employee's health plan can elect State Continuation for 36 months . (Please note HB790 has expanded the definition of dependent which allows dependents to stay on health plan up to age 26 if they meet certain criteria. See Dependent Care Expansion section***)
DEATH OF COVERED EMPLOYEE		
COVERED EMPLOYEE'S DEATH – surviving spouse/partner is age 55 or older	Until eligible for Medicare OR For another employer based group health plan	The surviving spouse / civil union partner* (age 55 or older) of a covered employee can stay on State Continuation until eligible for either Medicare or for another employer-based group health plan.
COVERED EMPLOYEE'S DEATH – surviving spouse/partner is age 54 or younger	36 MONTHS	The surviving spouse / civil union partner* (age 54 or younger) can stay on State Continuation for 36 months.
DIVORCE OR LEGAL SEPARATION		
COVERED EMPLOYEE becomes DIVORCED OR LEGALLY SEPARATED – the divorced / legally separated spouse/partner is age 55 or older	Until eligible for Medicare OR For another employer based group health plan	The divorced or legally separated spouse or former civil union partner* age 55 or older of the covered employee can stay on State Continuation until eligible for either Medicare or another employer-based group health plan. (Note SB197 Divorced Spouse Bill allows the divorced spouse or eligible dependents to remain on the policy after the issuance of a final divorce decree for 3 years. The divorce has to have occurred AFTER January 1, 2008**)
COVERED EMPLOYEE becomes DIVORCED OR LEGALLY SEPARATED – divorced / legally separated spouse/partner is age 54 or younger .	36 MONTHS	The divorced or legally separated spouse or former civil union partner* age 54 or younger of the covered employee can stay on State Continuation for 36 months . (Note SB197 Divorced Spouse Bill allows the divorced spouse or eligible dependents to remain on the policy after the issuance of a final divorce decree for 3 years. The divorce has to have occurred AFTER January 1, 2008**)
EMPLOYER'S BANKRUPTCY		
EMPLOYER FILES FOR TITLE VII or 11 BANKRUPTCY PROTECTION	36 MONTHS	RETIREES AND THEIR DEPENDENTS who have a substantial loss of coverage within one year of the date the employer files for protection under the bankruptcy provisions of Title 11 of the United States Code are eligible for 36 months .

The general requirements for **State Continuation** are found in RSA 415:18, XVI .

[RETURN TO INDEX](#)

***RSA 457-A:6 CIVIL UNIONS**

This amends all fully insured insurance policies and other forms to provide the **same benefits to those joined in civil unions that are provided to those joined in marriage**. For further information, please refer *Implementation of New Hampshire's Civil Union Law, RSA 457-A:6 and INS Bulletin INS 07-088-AB*.

[RETURN TO INDEX](#)

****SB197 DIVORCED SPOUSE BILL**

SB197 Divorced Spouse Bill allows the divorced spouse or eligible dependents to remain on the fully-insured group health policy for 3 years **after the issuance of a final divorce decree that have occurred after January 1, 2008**. This will eliminate the need for State Continuation as the divorced spouse and their dependents will be allowed to stay on policy. (**Note:** the divorced spouse bill does not address who pays the premium). A divorced or legally separated individual who elects to continue coverage under SB 197 can at the end of this continuation period can elect NH Continuation

For further information please refer to the **Bill Text SB197 and Bulletin 07-064AB which provides further clarification**. This law came into effect on January 1, 2008 and amended laws RSA 415:18, 420:G, 458:18, 541-A

[RETURN TO INDEX](#)

*****HB790 DEPENDENT CARE EXPANSION BILL**

HB790 expanded the definition of dependent regarding fully-insured group health insurance. It states if a dependent meets the criteria below they can stay on a covered employee's fully-insured group health plan until the age of 26;

- (a) Is less than 26 years of age,
- (b) Is unmarried,
- (c) Is a resident of New Hampshire, or is enrolled at a public or private institution of higher education, and
- (d) Is not provided coverage as a named subscriber under any other group or individual health plan or entitled to benefits under certain governmental programs.

[RETURN TO INDEX](#)

IMPORTANT NOTE for HB790: The N.H. Insurance Department's definition of dependent does not apply to **IRS's definition of dependent for tax purposes**. Please check with an accountant or the IRS to inquire about the tax implications of adding your dependent to your insurance plan under these circumstances/criteria. For further information please refer to the **Bill Text HB790 and Bulletin 07-060AB which provides further clarification**. **Definition of Dependent Care** is (as of this date) HB790 and further clarified by Bulletin 07-060-AB. Amended laws RSA 415:5, 420-A, B, C, F, J

[RETURN TO INDEX](#)